

# 2005-2006 PERFORMANCE PLAN – SENIOR INVESTMENT OFFICER, ASSET ALLOCATION AND RISK MANAGEMENT (Pinkos)

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## Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	Quarterly Status Report
35%	Total Fund Performance	Excess return in basis points relative to total fund performance benchmark (SJ1C – CPERSTOT)	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5	+136 [12.69-11.33]
35%	<b>Subtotal</b>	<b>Quantitative Measures</b>		

## Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	Quarterly Status Report
15%	Asset Allocation	1) Provide an assessment that enables a decision related to investing in inflation sensitive assets by 3/31/06.  2) Implement improvements in the sensitivity of the Asset Mix System to better distinguish between candidate asset mixes by 6/30/06.	From Schedule	1) Completed  2) Completed
20%	Risk Analysis	1) Develop tools to monitor extreme value events at the asset class level by 3/31/06.  2) Evaluate and produce a comparative report on risk management best practices by 3/31/06.  3) Implement within RMS improved data and formula to proxy Real Estate and Alternative Investments by 6/30/06.	From Schedule	1) Completed 2) Completed  3) On Schedule
25%	Risk Management System Implementation	Rollout Risk Measurement System, including training: - to CIO & SIOs by 9/30/05 - to SPMs by 12/31/05 - to PMs by 6/30/06	From Schedule	Completed CIO/SIOs by 9/30/05 Completed SPMs by 12/31/05 PMs on schedule
5%	Diversity Plan	Implement all elements of the enterprise wide diversity plan that relate to the responsibilities of the investment office by 6/30/06.	From Schedule	On Schedule
65%	<b>Subtotal</b>	<b>Qualitative Measures</b>		
100%	<b>Total</b>	<b>Quantitative and Qualitative Measures</b>		

**Supervisor's Approval: Original signed by Anne Stausboll**

**Date: April 25, 2006**

## INCENTIVE PLAN CHANGE

**Name:** Patricia Pinkos  
Management

**Position:** Senior Investment Officer, Asset Allocation/Risk

### Part A (Addition of Performance Measure)

Recommend the following Performance Measure be added to the Incentive Plan:

Weight	Factor	Performance Measure	Incentive Schedule	Quarterly Status Report Column
5%	Annual Plan	By 6/01/06, submit to the CIO the Asset Allocation/Risk Management Annual Plan for FY 2006/2007		

Reason for addition: This Factor is added to be consistent with the Incentive Plans for all the other SIOs. Also, due to the departure of Mark Anson and the anticipated CIO start date of June 1, 2006, Annual Plans will be submitted to the new CIO for review and approval. Presentation of Annual Plans to the Investment Committee is anticipated in the third quarter of 2006.

### Part B (Deletion of Performance Measure)

Recommend the following Performance Measure be deleted from the Current Incentive Plan:

Weight	Factor	Performance Measure	Incentive Schedule	Quarterly Status Report Column

Reason for deletion:

**Part C (Modification of Performance Measure)** Recommend the Performance Measure(s) listed below be modified an indicated:

Description in Current Incentive Plan:

Weight	Factor	Performance Measure	Incentive Schedule	Quarterly Status Report Column
25%	Risk Management System Implementation	Rollout Risk Measurement System, including training: -to CIO & SIOs by 9/30/05 -to SPMs by 12/31/05 -to PMs by 6/30/06		

Proposed description (changes shown in **bold**):

Weight	Factor	Performance Measure	Incentive Schedule	Quarterly Status Report Column
20%	Risk Management System Implementation	Rollout Risk Measurement System, including training: -to CIO & SIOs by 9/30/05 -to SPMs by 12/31/05 -to PMs by 6/30/06		

Reason for proposed change: Reduce weight by 5% to allow for addition of Annual Plan factor.

Supervisor's Approval: Original signed by \_\_\_\_\_

Date: \_\_\_\_\_